

Message Text

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70

ACTION EUR-12

INFO OCT-01 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-01 INR-05 INT-05 L-02

NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01 OES-03

SP-02 SS-15 STR-01 TRSE-00 FRB-01 FEA-01 PA-01 PRS-01

USIA-06 /088 W

----- 016494

R 102115Z DEC 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5176

INFO AMCONSUL CALGARY

LIMITED OFFICIAL USE OTTAWA 4008

E.O. 11652: N/A

TAGS: ENRG EFIN CA US

SUBJECT: ENERGY: EXIMBANK CURTAILMENT OF LOANS TO TAR SANDS
DEVELOPMENT

REF: OTTAWA 3983

1. CANADIAN PRESS IS GIVING WIDE COVERAGE TO REASSESSMENTS BY VIRTUALLY ALL COMPANIES OF THEIR TAR SANDS DEVELOPMENT PROJECTS. THE FEDERAL/PROVINCIAL TAX HASSLE AND SOARING CAPITAL COSTS ARE THE TWO PRIME REASONS GIVEN FOR THE REASSESSMENTS. IN THIS REGARD, THE PRESS IS ALSO QUESTIONING THE EFFECT OF EXIMBANK'S REPORTED DECISION NOT REPEAT NOT TO PROVIDE FINANCING FOR THE SYNCRUDE PROJECT AND THE ROLE THIS DECISION MAY OR MAY NOT HAVE PLAYED IN ARCO'S WITHDRAWAL FROM THE PROJECT. QUESTIONS ALSO RAISED IN MEDIA WHETHER THIS ACTION WAS IN ANY WAY "RETALIATORY" AGAINST CANADA.

2. ACTION REQUESTED: EMBASSY WOULD APPRECIATE BACKGROUND AND GUIDANCE ON EXIMBANK FINANCING DECISIONS RELATIVE TO LIMITED OFFICIAL USE

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TAR SANDS PROJECTS AND SYNCRUDE IN PARTICULAR.

EMBASSY'S ONLY OFFICIAL INFORMATION ON THIS IS COPY
OF EXIMBANK'S APRIL 12, 1974 PRELIMINARY COMMITMENT
LETTER TO BECHTEL, SAN FRANCISCO, COVERING POTENTIAL
DIRECT CREDIT FOR SYNCRUDE PROJECT IN AMOUNT UP TO
\$75MILLION.
JOHNSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, PETROLEUM, FOREIGN RELATIONS, FINANCIAL PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA04008
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740358-0865
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741247/aaaabnzs.tel
Line Count: 67
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: OTTAWA 3983
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 15 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 APR 2002 by boyleja>; APPROVED <23-Aug-2002 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: EXIMBANK CURTAILMENT OF LOANS TO TAR SANDS DEVELOPMENT
TAGS: ENRG, EFIN, CA, US, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005